

## Senate Economics References Committee

Inquiry into Australia's sovereign naval shipbuilding capability –  
13 November 2020

### COMMITTEE INQUIRY QUESTION ON NOTICE

Department of Defence

**Topic:** SERC - Australia's sovereign naval shipbuilding capability - 13 November 2020 -  
Q11 - Naval Shipbuilding Office - Patrick

**Question reference number:** 11

**Senator:** Rex Patrick

**Type of question:** Written

**Date set by the committee for the return of answer:** 27 November 2020

#### **Question:**

1. What's the delineation of the roles and responsibilities of:
  - a. The Deputy Secretary National Naval Shipbuilding?
  - b. The First Assistant Secretary National Naval Shipbuilding Office?
  - c. The First Assistant Secretary Shipbuilding and Sustainment Plan?
  - d. Is there an organisational structure?
2. To deliver the National Naval Shipbuilding program, the office is highly dependent on a number of programs all meshing together at the appropriate time. Could the National Naval Shipbuilding office please supply a copy of their overarching 'Integrated Master Schedule'?

#### **Answer:**

- 1a) The Deputy Secretary National Naval Shipbuilding is the accountable officer for the delivery of the Naval Shipbuilding Enterprise. The position sits within the Capability Acquisition and Sustainment Group. Organisationally within the Capability Acquisition and Sustainment Group the Submarines Division, Ships Division, Maritime Systems Division and the National Naval Shipbuilding Office all report to the Deputy Secretary National Naval Shipbuilding.
- 1b) The First Assistant Secretary National Naval Shipbuilding is responsible to the Deputy Secretary for the integration, coordination and reporting on implementation of the four key enablers identified in the 2017 Naval Shipbuilding Plan. These are:
  - i) delivering modern, innovative and secure naval shipbuilding infrastructure;
  - ii) workforce growth and development;
  - iii) a sustainable and cost-competitive Australian industrial base; and
  - iv) ensuring a whole-of-nation collaborative approach to implementing the Naval Shipbuilding Plan.

- 1c) The First Assistant Secretary Shipbuilding and Sustainment Plan is a non-ongoing role established to lead an update to the 2017 Naval Shipbuilding Plan following the release of the 2020 Force Structure Plan.
- 1d) The organisational structure for the National Naval Shipbuilding Office is attached.
- 2) The Enterprise Master Schedule consolidates the schedules of each of our acquisition and sustainment programs, as a database of tens of thousands of lines which will grow larger as the Attack class submarine and Hunter class frigate designs grow and mature. An extract of the Enterprise Master Schedule, including cardinal milestones, is attached.

**FIRST ASSISTANT SECRETARY  
NATIONAL NAVAL SHIPBUILDING OFFICE  
DEPSEC NNS**

**ASSISTANT SECRETARY  
NAVAL SHIPBUILDING ENTERPRISE  
INDUSTRY & POLICY COORDINATION BRANCH**

- NAVAL SHIPBUILDING ENTERPRISE  
SOVEREIGN INDUSTRY CAPABILITY
- NAVAL SHIPBUILDING ENTERPRISE  
SECURITY & POLICY COORDINATION
- NAVAL SHIPBUILDING ENTERPRISE  
WORKFORCE STRATEGY & PLANS

**ASSISTANT SECRETARY  
NAVAL SHIPBUILDING ENTERPRISE  
GOVERNANCE & DELIVERY BRANCH**

- NAVAL SHIPBUILDING ENTERPRISE  
INFRASTRUCTURE & FACILITIES DEVELOPMENT
- NAVAL SHIPBUILDING ENTERPRISE  
COMMERCIAL & CORPORATE
- NAVAL SHIPBUILDING ENTERPRISE  
GOVERNANCE
- FAS NNSO CHIEF OF STAFF  
NNSO COMMS & ADMINISTRATION CENTRE

**EXECUTIVE DIRECTOR  
MARITIME DOMAIN SERVICES CENTRE  
MARITIME MANAGER OF FUNCTIONS**

- CORPORATE SERVICES & SYSTEMS  
DFL CORPORATE SERVICES & DECISION  
SUPPORT
- PROGRAM INTEGRATION SERVICES  
DFL PROGRAM MANAGEMENT
- MARITIME DOMAIN  
LOGISTICS SERVICES  
DFL LOGISTICS
- MARITIME DOMAIN  
NAVAL ENGINEERING OFFICE  
DFL ENGINEERING & TECHNICAL



## **Senate Economics References Committee**

Inquiry into Australia's sovereign naval shipbuilding capability –  
13 November 2020

### **COMMITTEE INQUIRY QUESTION ON NOTICE**

Department of Defence

**Topic:** SERC - CDIC - Australia's sovereign naval shipbuilding capability – 13 November 2020 - Q19 - Guidance to CDIC - Patrick

**Question reference number:** 19

**Senator:** Rex Patrick

**Type of question:** Written

**Date set by the committee for the return of answer:** 27 November 2020

#### **Question:**

1. To date what guidance has Defence provided to the CDIC about the specific needs of the Naval Shipbuilding sector (e.g. areas of capability gaps, capacity shortfalls, scheduling)?

#### **Answer:**

Defence provides ongoing guidance to the Centre for Defence Industry Capability about the specific needs of the Naval Shipbuilding Enterprise, coordinating with the enterprise Prime Contractors, portfolios across Government, industry peak bodies and adjacent sector councils to better understand the broad national environment and inform implementation of the Naval Shipbuilding Plan.

## **Senate Economics References Committee**

Inquiry into Australia's sovereign naval shipbuilding capability –  
13 November 2020

### **COMMITTEE INQUIRY QUESTION ON NOTICE**

Department of Defence

**Topic:** SERC - CDIC - Australia's sovereign naval shipbuilding capability – 13 November 2020 - Q24 - Overview of success examples - Patrick

**Question reference number:** 24

**Senator:** Rex Patrick

**Type of question:** Written

**Date set by the committee for the return of answer:** 27 November 2020

#### **Question:**

During the hearing Mr Fraser commented that there were 'some wonderful examples of success' in relation to looking after Australian industry. Could CDIC please provide an overview of these success stories (this should include the company, the area of relevance, the assistance provided, what's been achieved)?

#### **Answer:**

There are many examples of success in relation to the Centre for Defence Industry Capability's (CDIC's) interactions with industry. Defence has provided two examples below, and is able to provide further examples at the request of the Committee.

#### **Case study: Sayfa install tailored fall arrest systems on Anzac Class Frigates**

Victorian safety business Sayfa designed and installed a customised fall arrest system for the ANZAC Class Frigate, HMAS Toowoomba.

Corporate Business Manager, Jeremy Parker said BAE approached the Australian owned company as the Navy were looking for a way to make helicopter maintenance in the frigate hangers a safer task.

'It's often slippery and wet in the hangers, especially when you're out at sea, so we designed a custom fall arrest system to protect operators working at height,' Mr Parker said.

'The Raptor is an Australian made rigid rail safety system. The operators connect their harness to the rails installed in the deck head allowing them to move freely while connected. If there is a fall the system immediately arrests it and stops the operator from falling to the ground and severely injuring themselves.'

‘The Raptor fall arrest system is the first of its kind and is transforming the way the Navy think about working at heights.’

The Raptor is being rolled out across all ANZAC Class Frigates.

‘Our work on the Raptor fall arrest system, has led to other business with the Navy. They are interested in using our harnesses on all of their vessels. There is also potential to export the Raptor,’ Mr Parker said.

‘Our ongoing engagement with the CDIC provides us with a broader understanding of how Defence operates, who the key ‘primes’ are and events we should be going to. It makes us feel more knowledgeable about working in Defence.’

Sayfa are currently working on other safety systems they believe Defence will be interested in.

‘We’re starting conversations with the CDIC for our next project.’

### **Case study: Stahl Metall working towards a sovereign capability**

The engineering company aims to create a new component for local and global supply chains.

A leader in manufacturing products resistant to harsh environments, Stahl Metall has become a competitive player in the Defence industry with the help of the CDIC. The CDIC’s business advisory service provided the contacts, grants and business guidance that helped Stahl Metall break into the global supply chain.

Stahl Metall, an AS 9100 (Aerospace) certified, design and manufacturing business, aims to create an Australian made component to diversify their business.

Managing Director, Anton Fonseca said one of their main goals they are working towards is to invent a product that can be used with a range of capabilities.

‘The CDIC encouraged us to invent a product that we can use in local or overseas global supply chains and for defence applications. This has been a great help to us in diversifying our business for other industries,’ Mr Fonseca said.

‘Stahl Metall are already part of several local and global supply chains, and provide services for a range of defence applications. Stahl Metall have a proven track record in complex defence platforms and robust solutions.’

Stahl Metall are currently working on major Defence programs such as:

- SEA 1442 ANZAC-Class frigates program;
- Collins Class Submarine Radar and Communications System, Remote Weapon Systems;
- SEA 1180 Offshore Patrol Vessels and future potential projects;
- SEA 1000 Future Submarine program;
- SEA 5000 Hunter Class Future Frigates; and
- LAND 400 Ph3 Next-generation of Armoured Fighting Vehicles program.

‘Stahl Metall’s Engineers produce a variety of resilient products ranging from communication, power control and distribution systems, custom cable assemblies, harnesses, and electrical enclosures as well as custom metalwork. What makes Stahl Metall unique is having the ability to provide full ‘plug and play’ systems,’ he said.

‘Apart from manufacturing, we are vertically integrated. Customers can come to us and we can design and produce the whole system. The industry doesn’t really do most of the work that we specialise in such as providing customised solutions to all our customers.’

When Stahl Metall first decided to diversify their business, the company engaged the CDIC’s for assistance with navigating the defence industry.

‘Support from programs like the CDIC is crucial for Australian businesses like Stahl Metall to achieve their goals both big and small,’ he said.

‘We met with a Defence Business Adviser around two years ago and he guided us in the direction of business maturity systems.’

‘With the CDIC’s help, Stahl Metall had the ability to not only find the right contacts for primes to progress in this field, but improve the plans and goals for their business moving forward.’

‘The CDIC helped us to get in touch with the global aerospace giant, Lockheed Martin, to work in the global supply chain. This was an exciting opportunity for us to be able to get in contact with those primes.’

‘Our Defence Business Adviser also assisted us to navigate the Capability Improvement Grant application process. The grant will help us train our staff for upskilling, certifications or electrical manufacturing.’

The Capability Improvement Grant provides matched funding up to \$250,000 to engage a consultant or expert to implement business improvements based on a CDIC advice.

Mr Fonseca said developing these relationships are crucial to strengthening trust and confidence between Stahl Metall and other primes in the defence industry.

‘The service the CDIC provided helped us strengthen other companies’ confidence and trust in us, and they are willing to recommend us for new projects.’

‘What makes us competitive is the flexibility and ability to provide customised solutions and the trust we’ve established. After companies see what we can produce, the relationship becomes stronger and there’s loyalty.’